

THE STATE OF TEXAS

COUNTY OF BEXAR

§ _____ TIRZ –
§
§ BEXAR COUNTY

INTERLOCAL AGREEMENT

I. PARTIES

A. Address

1. THIS INTERLOCAL AGREEMENT (the “Agreement”) is made by and between the **CITY OF SAN ANTONIO, TEXAS** (hereafter referred to as “CITY”), a Texas Municipal Corporation, acting through its City Manager pursuant to Ordinance No. _____, passed and approved by the City Council on _____, _____; **BEXAR COUNTY**, a political subdivision of the State of Texas, acting through its County Judge pursuant to authority granted by the Bexar County Commissioners Court on _____, _____ (hereafter referred to as “COUNTY”); and the **BOARD OF DIRECTORS FOR REINVESTMENT ZONE NUMBER _____ ()**, **CITY OF SAN ANTONIO, TEXAS**, a reinvestment zone created by CITY pursuant to Chapter 311, Texas Tax Code, (hereafter referred to as “ZONE BOARD”, as hereafter defined). Collectively, CITY, COUNTY, and ZONE BOARD may be referred to singularly as a “Party” or collectively as “Parties.” This Agreement is made pursuant to Chapter 311, Texas Tax Code for the participation of CITY and COUNTY in the _____ Development Project (the “Project”).

2. The initial addresses of the Parties are listed below. Each Party may designate a different address by giving CITY at least ten (10) days prior written notice.

CITY

Terry M. Brechtel
City Manager
City of San Antonio
100 Military Plaza
San Antonio, Texas 78205

COUNTY

Honorable Nelson W. Wolff
County Judge
Bexar County Courthouse
100 Dolorosa Street
San Antonio, Texas 78221-9614

Re: _____ TIRZ

With copies to:

Bexar County
Housing & Human Services
Vista Verde Plaza
233 North Pecos, Suite 590
San Antonio, Texas 78207
Re: _____ TIRZ

Bexar County Criminal District
Attorney's Office-Civil Section
Criminal Justice Center
300 Dolorosa Street
San Antonio, Texas 78205
Re: _____ TIRZ

And

ZONE BOARD

Presiding Officer
Reinvestment Zone Number _____
City of San Antonio, Texas

San Antonio, TX _____

B. Index

In consideration of the covenants set forth herein, and subject to the terms and conditions herein, CITY, COUNTY, and ZONE BOARD hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

<u>Section</u>	<u>Description</u>	<u>Page</u>
I.	Parties	1
II.	Definitions	3
III.	Background	5
IV.	Rights and Obligations of COUNTY	6
V.	Rights and Obligations of CITY and ZONE BOARD	10
VI.	Term and Termination	13
VII.	Miscellaneous	14
Exhibit "A"	Project and Financing Plans	
Exhibit "B"	City of San Antonio Ordinance No. _____	
Exhibit "C"	Development Targets	

C. Parts Incorporated

All of the above described exhibits are hereby incorporated into this Agreement by this reference for all purposes.

II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

1. "Administrative Costs" means reasonable costs directly incurred by a Participating Taxing Entity (as hereinafter defined) related to its agreement to participate in the development of ZONE, as described in this Agreement. These costs include, but are not limited to, costs and expenses for legal review and financial analysis related to ZONE incurred prior to entering into this Agreement, as well as any such costs and expenses incurred after this Agreement becomes effective. The initial startup Administrative Costs for all Participating Taxing Entities is _____ dollars (\$_____). The total Administrative Costs for ZONE are estimated to be _____ dollars (\$_____) in the aggregate for the life of ZONE.

2. "Captured Appraised Value" means the captured appraised value of ZONE, as defined by Section 311.012(b), Texas Tax Code (and as said Code may be amended from time to time).

3. "Financing Plan" means the Final Reinvestment Zone Financing Plan for ZONE as adopted by the Board of Directors of Zone on _____, _____, and approved by the City Council of CITY on _____, _____, and attached hereto as Exhibit "A."

4. "Participating Taxing Entity" or "Participating Taxing Entities" means, singularly, a taxing unit participating in ZONE, and collectively, all taxing units participating in ZONE, and shall include CITY; COUNTY; and the Alamo Community College District ("ACCD"), a Texas institution of Higher Education.

5. "Project Costs" means the items set forth and described in Section 311.002(1), Texas Tax Code (as said Code may be amended from time to time), which are included in the Project Plan for the Project. The Project Costs include public infrastructure improvements and related capital costs including streets, drainage, utilities, platting fees, architect and engineering fees, sidewalks, landscaping, rights-of-way, and park/green space improvements. The Project Costs for public improvements are estimated at _____ dollars (\$ _____) in the aggregate for the life of ZONE, plus _____ dollars (\$ _____) in applicable qualifying project costs.

6. "Project Plan" means the Final Project and Reinvestment Zone Financing Plan for ZONE as adopted by the Board of Directors of Zone on _____, _____, and approved by the City Council of CITY on _____, _____, and attached hereto as Exhibit "A."

7. "Tax Increment" means the total amount of ad valorem taxes levied and collected each year by a Participating Taxing Entity each year on the Captured Appraised Value of taxable real property in ZONE. Further, with respect to COUNTY, this term means the total amount of ad valorem taxes levied and collected only on behalf of COUNTY each year and shall not include the Flood Control District or the Hospital District.

8. "Tax Increment Base" means the total appraised value of all real property taxable by a Participating Taxing Entity and located in ZONE as of January 1, _____, the year in which the ZONE was designated.

9. "Tax Increment Fund" means the tax increment fund created by CITY for the deposit of Tax Increments for ZONE, entitled "Reinvestment Zone Number _____ (____), City of San Antonio, Texas Tax Increment Fund."

10. "Tax Increment Payment" means the amount of the Tax Increment that a Participating Taxing Entity agrees to deposit annually into the Tax Increment Fund in accordance with this Agreement and the Project Plan.

11. "ZONE" means Reinvestment Zone Number _____ (____), City of San Antonio, Texas, created by CITY over ZONE Area on _____, _____, by Ordinance No. _____, a description of which is contained in Exhibit "A", attached hereto.

12. "ZONE BOARD" means the Board of Directors of ZONE established to administer, manage, and/or operate ZONE pursuant to Sections 311.0091 and 311.010, Texas Tax Code, as well as implementation of the Project, as described in Ordinance No. _____, and the Bylaws of ZONE BOARD adopted on _____, _____.

III. BACKGROUND

A. Resolution of Intent No. _____, passed and approved by City Council of CITY on _____, _____, expressed the CITY's intent to create a tax increment financing reinvestment zone pursuant to Chapter 311, Texas Tax Code, to support revitalization activities for ZONE, and the development of the Project. On _____, _____, the City Council of CITY passed and approved Ordinance No. _____, which created ZONE. The Project is located _____. The Project is in the _____ Independent School District and encompasses approximately _____ acres. The Tax Increment Base for ZONE as determined by the Bexar Appraisal District is _____ dollars (\$_____) and the projected Captured Appraised Value of all the taxable real property in ZONE at the end of the Agreement Term is estimated to be _____ dollars (\$_____). The Project does not include the issuance of certificates of obligations. The Project includes the construction of approximately _____ single-family homes with sale prices ranging between _____ dollars (\$_____) and _____ dollars (\$_____). Construction will be carried out in _____ (____) phases and as specified in the Development Agreement, with the

last phase commencing in _____. The total public improvement infrastructure capital cost is estimated at _____ dollars (\$_____) and applicable qualifying project costs is estimated at _____ dollars (\$_____). The developer is _____, (the "Developer"). ZONE is projected to terminate on September 30, _____, unless earlier termination occurs under this Agreement (the "term of ZONE").

B. ZONE BOARD adopted the Project Plan on _____, _____. CITY approved the Project Plan on _____, _____. CITY and COUNTY agree to participate in ZONE, and to deposit their respective Tax Increment Payments to the Tax Increment Fund, in accordance with the terms, and in consideration for the agreements set forth herein. The Tax Increment Fund was authorized by Ordinance No. _____, attached hereto as Exhibit "B". COUNTY hereby acknowledges receipt of notice of the initial creation of ZONE.

C. The Parties hereto agree that, except as provided herein, no tax-supported public debt instrument will be issued by a Participating Taxing Entity or ZONE to finance any costs or improvements on the Project.

IV. RIGHTS AND OBLIGATIONS OF COUNTY

A. Tax Increment Participation by COUNTY

1. Subject to the limitations set out in this Agreement, COUNTY agrees to participate in ZONE by contributing to the Tax Increment Fund one hundred percent (100%) of its respective Tax Increments each year during the term of this Agreement, beginning with the _____ tax year. Further, beginning with the _____ tax year, COUNTY may withhold its Administrative Costs, as herein defined, under conditions and circumstances as set out in paragraph V (D) of this Agreement.

2. The Parties hereto agree that COUNTY's contribution to the Tax Increment Fund shall be used to fund public infrastructure improvements to support the development and revitalization efforts in ZONE, including related Project Costs. COUNTY's contributions to the

Tax Increment Fund shall end when it has contributed the maximum total contribution provided for herein, or when it has made contributions, as specified in the Project Plan, through the end of COUNTY's fiscal Year _____ (ending on September 30, _____), whichever occurs first. Notwithstanding anything to the contrary, the total COUNTY Tax Increment Payments over the term of the ZONE shall not exceed _____ dollars (\$_____).

B. Tax Increment Payment

1. COUNTY's obligation to contribute its Tax Increment Payment to the Tax Increment Fund, as provided in paragraph IV (A) (1) of this Agreement, shall accrue as COUNTY collects its Tax Increments. The Parties hereto agree that all real property taxes collected each year by COUNTY that are attributable to real property in ZONE, shall first constitute taxes on the Tax Increment Base and after the total amount of taxes on the Tax Increment Base have been collected, shall then constitute the Tax Increment. COUNTY agrees to deposit its Tax Increment Payments to the Tax Increment Fund on or before March 10 and August 10 (or the first business day thereafter) of each year. The amount of each Tax Increment Payment shall be based on the Tax Increments that were received by COUNTY, and not previously deposited, prior to the first day of the month preceding each deposit date. (For example, the first deposit on March 10, _____ shall be for Tax Increments received, and not previously deposited, through January 31, _____. The next deposit on August 10, _____ shall be for Tax Increments received, and not previously deposited, through June 30, _____.) The Parties agree that COUNTY's obligation to deposit Tax Increment Payments after September 30, _____ shall only be for taxes collected and received after such date that are attributable to the time period during which COUNTY agreed to participate. Under no circumstances shall COUNTY be required to participate in ZONE after September 30, _____.

2. Any delinquent deposit of a Tax Increment Payment under this Agreement by COUNTY shall be administered as provided in Section 311.013(c) of the Texas Tax Code (or its

successor provision). The Parties expressly agree that COUNTY shall not owe any penalty or interest on Tax Increments that have been levied, but not received by COUNTY. In addition, COUNTY shall not be obligated to contribute its Tax Increment Payments from any non-Tax Increment revenue sources. Furthermore, COUNTY shall not be obligated to contribute its Tax Increment Payment to the Tax Increment Fund in the event a Participating Taxing Entity, other than COUNTY, discontinues its contribution (except as otherwise agreed to in this Agreement) or fails to fully contribute its entire contribution to the Tax Increment Fund during the term of this Agreement unless the discontinuance is in compliance with and authorized by a written amendment to this Agreement.

3. CITY and ZONE BOARD agree to comply with the Project Plan and the Development Agreement. CITY or ZONE BOARD agrees to provide prior written notice to all Participating Taxing Entities of a proposed material change (by which is meant any change that would constitute a substantial change to the scope of the work or substantial increase in the costs incurred) to the Project Plan or the Development Agreement. CITY shall have the right to amend and modify the Project Plan and the Development Agreement without providing prior written notice to the Participating Taxing Entities so long as such amendment or modification does not constitute a material change. The Participating Taxing Entities shall have a period of thirty (30) business days from the date of receipt of such notice of a material change to provide comment(s) and objection(s) to the proposed change. The absence of written objections or comments by the Participating Taxing Entity to the CITY will constitute approval of the proposed material change by the Participating Taxing Entity. If a Participating Taxing Entity provides written notice to the CITY that it objects to the proposed material change to the Project Plan or the Development Agreement, and the objection, as set out in the notice, is not resolved within forty-five (45) business days from the date of such notice and the CITY approves such material change, then the Participating Taxing Entity providing the objection may thereafter discontinue its Tax Increment

Payments and terminate its participation in ZONE.

4. If any Party to this Agreement materially breaches this Agreement, then a Participating Taxing Entity may provide written notice to CITY, and ZONE BOARD (with a copy to any other Participating Taxing Entity still contributing Tax Increment Payments) stating its intent to terminate its participation in ZONE and detailing its objection(s) or concern(s). If the objection and/or concerns as set out in the notice is not resolved within ninety (90) business days from the date of such notice, then the Participating Taxing Entity providing the notice may discontinue its Tax Increment Payments and terminate its participation in ZONE.

5. Except for contributing its respective Tax Increment Payments to the Tax Increment Fund as set out in this Agreement, COUNTY shall not have any obligation or responsibility for any costs or expenses associated with the development of ZONE or the implementation of the Project Plan, including, without limitation, any obligation to pay or repay any debt issued by another Participating Taxing Entity, ZONE, or ZONE BOARD relating to ZONE or any costs associated with the operation of ZONE, the Project, or any other projects relating thereto.

C. School District Provisions

COUNTY understands that the Project is located in the _____ Independent School District. COUNTY further understands that the _____ Independent School District is precluded from participation in ZONE.

D. Management of ZONE

1. CITY is the only Participating Taxing Entity with any responsibility for managing or administering the Project. The Participating Taxing Entities, during the term of this Agreement, may inspect the Project site and review Project plans and drawings at times and intervals which will not interfere with ongoing operations.

2. ZONE BOARD shall be composed of eleven (11) members, as provided under Section 311.0091(a), Texas Tax Code. Accordingly, COUNTY shall have the right to appoint _____ (____) members on ZONE BOARD.

E. Expansion of ZONE

The obligation of COUNTY to participate in ZONE is limited to the description of ZONE in Exhibit "A" attached hereto. COUNTY's participation shall not extend to the Tax Increment on any additional property added to ZONE by CITY unless COUNTY approves in writing such participation.

V. RIGHTS AND OBLIGATIONS OF CITY AND ZONE BOARD

A. Tax Increment Participation by CITY

Subject to the terms of this Agreement, CITY agrees to participate in ZONE by contributing to the Tax Increment Fund one hundred percent (100%) of its Tax Increment each year during the term of this Agreement, beginning with the _____ tax year. CITY's contributions to the Tax Increment Fund shall end when CITY has contributed the maximum total contribution provided for herein or on ZONE termination date of September 30, _____, whichever occurs first. Notwithstanding anything herein to the contrary, the total CITY Tax Increment Payments over the term of ZONE shall not exceed _____ dollars (\$_____) in the aggregate.

B. Tax Increment Payment

1. CITY's obligation to contribute its Tax Increment Payment to the Tax Increment Fund as provided above in Section V of this Agreement shall accrue as CITY collects its Tax Increment. City agrees to deposit its Tax Increment Payment to the Tax Increment Fund on or before March 10 and August 10 (or the first business day thereafter) of each year. The amount of the first Tax Increment Payment shall be based on the Tax Increments that were received by CITY, and not previously deposited, prior to the first day of the month preceding each deposit

date. (For example, the first deposit on March 10, _____ shall be for the Tax Increments received, and not previously deposited, through January 31, _____. The next deposit on August 10, _____ shall be for Tax Increments received, and not previously deposited, through June 30, _____.) Any delinquent deposit of a Tax Increment Payment by CITY under this Agreement shall be administered as provided in Section 311.013(c), Texas Tax Code (or its successor provision).

2. COUNTY and ZONE BOARD expressly agree that CITY shall not owe any penalty or interest on Tax Increments that have been levied, but not received by CITY. In addition, CITY shall not be obligated to contribute its Tax Increment Payment from any non-Tax Increment revenue sources. Furthermore, CITY shall not be obligated to contribute its Tax Increment Payment to the Tax Increment Fund in the event a Participating Taxing Entity, other than CITY, discontinues its contribution to the Tax Increment Fund (except as permitted under this Agreement) during the term of this Agreement, unless the discontinuance is in compliance with and authorized by a written amendment to this Agreement.

3. The Parties agree that payment for the performance of governmental functions or services under this Agreement shall only be made from current revenues available to the paying Party. In other words, a Party is not obligated to perform said services or functions if said Party lacks current revenues to pay for said services or functions.

C. Financing of Project Costs

Each Participating Taxing Entity shall participate in the payment of Project Costs only to the extent described herein. CITY and ZONE BOARD shall be entitled to enter into any other agreements to pay Project Costs and other reasonable expenses from the Tax Increments paid into the Tax Increment Fund by CITY without the consent of any other Participating Taxing Entity, but will provide notice of such agreement(s) to each Participating Taxing Entity. However, except as provided herein, neither ZONE BOARD nor CITY shall ever use any Tax Interest

Payments contributed by a Participating Taxing Entity, other than contributed by CITY to make payments on bonds, interests of obligations, or other debt interests without the prior written authorization by and consent of the Participating Taxing Entity.

D. Disbursement of Funds in the Tax Increment Fund

1. Each Participating Taxing Entity agrees that CITY shall administer the Tax Increment Fund on behalf of the ZONE BOARD, pursuant to Ordinance No. 94468, passed and approved by City Council on August 30, 2001. No funds shall be disbursed from the Tax Increment Fund without the prior written approval of ZONE BOARD and CITY.

2. COUNTY recognizes that the Participating Taxing Entities and ZONE BOARD may, to the extent funds are available in the Tax Increment Fund and to the extent allowed by law, use such funds to reimburse each Participating Taxing Entity for its initial startup Administrative Costs if a Participating Taxing Entity includes proof of its Administrative Costs with its request to ZONE BOARD for reimbursement. If it is determined during the term of this Agreement that reimbursement of Administrative Costs is not allowed under law, the Parties agree that ZONE BOARD shall set the amount each Participating Taxing Entity may withhold as Administrative Costs from their respective Tax Increment Payment based on the best evidence available to ZONE BOARD to make such projections, including but not limited to invoices reflecting Administrative Costs incurred by the Participating Taxing Entity and historical data of actual Administrative Costs of the Project incurred by the Participating Taxing Entity in prior years. The Parties agree and understand that under no circumstances shall Administrative Costs, in the aggregate, exceed the amount set out and described in the Project Plan.

3. COUNTY further recognizes that, in addition to Project Costs and any other allowable costs, CITY and ZONE BOARD have represented that they may use funds in the Tax Increment Fund to pay expenditures in the following order or priority of payment: (i) to reimburse eligible initial startup Administrative Costs incurred by each Participating Taxing Entity, except that if

there are insufficient funds for the full reimbursement of Administrative Costs to each Participating Taxing Entity, then the Administrative Costs of each Participating Taxing Entity shall be reimbursed on a pro rata basis based on each taxing entity's level of participation in ZONE; (ii) to reimburse CITY for its financial and legal advisor fees until the full amount has been paid in full; (iii) to pay all other ongoing Administrative Costs to CITY for administering the Tax Increment Fund and/or ZONE; (iv) to reimburse the Developer for public improvements, including financing costs, as provided in the Development Agreement and in the Project Plan to the extent that funds in the Tax Increment Fund are available for this purpose. The Development Agreement is attached hereto as Exhibit "E". The foregoing notwithstanding, no funds will be paid from the Tax Increment Fund to a Participating Taxing Entity for its financial or legal services in any dispute arising under this Agreement with another Participating Taxing Entity or Participating Taxing Entities.

VI. TERM AND TERMINATION

A. Agreement Term and Termination

This Agreement shall become effective as of the last date of execution by the Parties hereto, and shall remain in effect until September 30, _____, unless earlier terminated as provided herein (the "Agreement Term"). Subject to the terms of this Agreement, COUNTY agrees to participate under this Agreement, beginning with the 2002 tax year and ending in accordance with the terms provided herein. The Parties agree and understand that COUNTY's Tax Increment Payments will not be made after September 30, _____, as set out in paragraph IV (A) (2) of this Agreement.

B. Early Termination

Neither CITY nor ZONE BOARD shall take any action to terminate ZONE earlier than the duration of ZONE as specified herein, except CITY may terminate ZONE if DEVELOPER ceases to undertake said improvements as set out in the Development Agreement or the

Developer fails, for three (3) consecutive years or more to (i) commence construction activities on any homes in the Project; or (ii) make any public infrastructure improvements that qualify as Project Costs, as defined in Section 311, Texas Tax Code. In addition to provisions for terminating ZONE, a Participating Taxing Entity may terminate its participation in ZONE under this Agreement if (i) construction of the public improvements described in the Project Plan and the Development Agreement is commenced, but subsequently abandoned prior to completion; (ii) if the Developer fails to commence said public improvements for three (3) or more consecutive years after creation of ZONE; or (iii) if the Developer fails to make reasonable progress toward completion on public infrastructure improvements that qualify as Project Costs, as defined in this Agreement.

C. Disposition of Tax Increments

Upon expiration or termination of ZONE, any money remaining in the Tax Increment Fund shall be paid to the Participating Taxing Entities on a pro rata basis in accordance with Section 311.014(d), Texas Tax Code.

VII. MISCELLANEOUS

A. Understanding

Any and all costs incurred by Developer are not, and shall never become general obligations or debt of any Participating Taxing Entity. The eligible public improvement infrastructure costs incurred by Developer shall be payable solely from the Tax Increment Fund in the manner and priority provided in this Agreement to the extent that tax increment funds become available. The Parties agree and understand that under no circumstance shall the eligible costs exceed the maximum specified in the Project Plan. No Participating Taxing Entity shall be obligated above and beyond what is actually collected as tax increment funds. CITY and ZONE BOARD each represent that the Developer understands and agrees that the Project Plan does not

forecast sufficient tax revenues in the Tax Increment Fund to reimburse the Developer for all its estimated contributions or costs.

B. Severability

1. In the event any term, covenant, or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant, or condition herein contained, provided that such invalidity does not materially prejudice any Party hereto in its respective rights and obligations contained in the valid terms, covenants, or conditions hereof.

In the event any term, covenant, or condition shall be held invalid and said invalidity substantially impairs a material right of a Participating Taxing Entity or ZONE BOARD, then this Agreement shall be void as to that Participating Taxing Entity and that Participating Taxing Entity shall have no further obligation to contribute any future Tax Increment Payments to the Tax Increment Fund. In such a situation, the Parties hereto agree that the Tax Increment Fund shall not refund any prior Tax Increment Payments under this provision of this Agreement.

C. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties hereto and embodies the entire agreement of the Parties. There are no other agreements, assurances, conditions, covenants (express or implied), or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

D. Written Amendment

This Agreement may be changed or amended only by a written instrument duly executed on behalf of each Party hereto. All Parties to this Agreement understand and recognize that only City Council of CITY and only the Commissioners Court of COUNTY have authority to approve a change or amendment to this Agreement on behalf of CITY or COUNTY, respectively.

E. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered the earlier of (i) when actually received or, (ii) on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other Party at the address prescribed in Section I of this Agreement, or at such other address as the receiving Party may have theretofore prescribed by notice to the sending Party.

F. Non-Waiver

Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

G. Assignment

Except for CITY's right to assign and delegate this Agreement and the performance of obligations to ZONE BOARD, no Party shall assign this Agreement at law or otherwise without the prior written consent of the other Parties and no Party shall delegate any portion of its performance under this Agreement without the written consent of the other Parties. All Parties to this Agreement understand and recognize that only City Council of CITY and only the Commissioners Court of COUNTY have authority to approve a delegation or assignment (of any kind) of this Agreement on behalf of CITY or COUNTY, respectively.

H. Successors

This Agreement shall bind and benefit the Parties and their legal successors. This Agreement does not create any personal liability on the part of any trustee, officer, employee, elected official, or agent of a Party to this Agreement.

I. Project Plan

COUNTY acknowledges that it was permitted to review and comment upon the Project Plan before it was submitted to City Council for CITY approval. The Parties agree an amendment to the Project Plan shall not apply to COUNTY unless COUNTY approves the amendment as provided herein if such amendment to the Project Plan (i) has the effect of directly or indirectly increasing the percentage or amount of Tax Increment to be contributed by COUNTY to the Tax Increment Fund; or (ii) increases or reduces the geographical area of ZONE set forth in the Project Plan.

J. No Waiver of Immunity

No Party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance or non-performance of the covenants contained herein.

K. Access to Financial Information

ZONE BOARD agrees to conduct or to cause to be conducted, at a minimum, an annual audit, a copy of which will be provided to COUNTY. Furthermore, each Party to this Agreement shall have reasonable access to financial information and audit reports regarding the operation of ZONE, contribution of Tax Increment Payments to the Tax Increment Fund, and expenditures from the Tax Increment Fund for Project Costs. In addition, CITY agrees, during the term of this Agreement, to prepare and deliver an annual report to COUNTY in accordance with Section 311.016, Texas Tax Code.

L. Development Agreement

1. CITY has entered into a written Development Agreement with the Developer related to the Project and the development of ZONE, a copy of which is attached hereto and incorporated herein as Exhibit "D." CITY hereby represents that it will enforce the provisions of this Agreement, as required, including, to the extent contained in the Development Agreement,

the Developer's compliance (i) with all applicable building codes and ordinances, including but not limited to flood, subdivision, building, electrical, plumbing, fire, and life safety codes and ordinances, as amended; all applicable federal, state, and local laws, rules, regulations, statutes, ordinances, orders, and codes, as amended; and rules and codes that govern development over the Edwards Aquifer Recharge Zone (if applicable); (ii) the Standards of Development (attached hereto as Exhibit "C") and Development Targets (attached hereto as Exhibit "D"), requiring the Developer to produce a high quality, timely development in ZONE; and, (iii) with the same competitive bidding processes and minority/small business procedures that would be required of CITY if it were awarding contracts for constructing the public infrastructure improvements. CITY and ZONE BOARD agree to promptly provide COUNTY with a copy of any notice of default that is delivered or sent to any party under the Development Agreement.

2. For those CITY controlled construction contracts for new development or public improvements in ZONE advertised for bid after the effective date of this Agreement, CITY agrees that, to the extent allowed by law, it will include in the bid specifications for said construction contracts a statement encouraging that both general contractor's and subcontractor's permanent fulltime employees and their dependants have access to some form of affordable basic health insurance.

M. ZONE Designation

CITY represents that its designation of ZONE meets the criteria of Section 311.005(a), Texas Tax Code, and that said designation also complies with Texas Attorney General Opinion No. JC-0152 (December 8, 1999).

IN WITNESS HEREOF, CITY OF SAN ANTONIO; BEXAR COUNTY; AND
REINVESTMENT ZONE NUMBER _____ (____), CITY OF SAN ANTONIO,
TEXAS have made and executed this Agreement in triplicate originals on this ____ day of
_____, _____.

CITY OF SAN ANTONIO

BEXAR COUNTY

Terry M. Brechtel
City Manager

Nelson W. Wolff
County Judge

ATTEST/SEAL:

ATTEST/SEAL:

Norma S. Rodriguez
City Clerk

Gerry Rickhoff
County Clerk

APPROVED AS TO FINANCIAL CONTENT:

Marcus Jahns
Budget Officer and Executive Director
of Planning and Resource Management

Dan Johnson
County Auditor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

**SUSAN D. REED, Criminal
District Attorney**

By: _____
Andrew Martin
City Attorney

By: _____
Scott Oliver
Assistant Criminal District
Attorney-Civil Section

REINVESTMENT ZONE NUMBER _____ (____)
CITY OF SAN ANTONIO, TEXAS
(_____ Development Project)

ATTEST/SEAL:

Name: _____
Presiding Officer, Board of Directors

Name: _____
Secretary, Board of Directors

Exhibit A
_____ Project
Project Plan and Financing Plan

Exhibit B
_____ Project
City of San Antonio Ordinance No. _____

Exhibit C
Project

Development Targets

Exhibit D
_____ Project
Development Agreement